



MILlicom
THE DIGITAL LIFESTYLE

2013 Q3 Results Presentation

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We believe in better. We believe in **tigo**

This presentation may contain certain “forward-looking statements” with respect to Millicom’s expectations and plans, strategy, management’s objectives, future performance, costs, revenue, earnings and other trend information. It is important to note that Millicom’s actual results in the future could differ materially from those anticipated in the forward-looking statements depending on various important factors.

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Q3 at a glance

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Q3 2013 – Accelerating growth and continuing investment for the future



Revenue

- 8.1% LC revenue growth (6.25 in Q2); like-for-like¹ revenue growth accelerated to 10% YoY
- Mobile is proving resilient with 3.3% growth in LC, 5.2% like-for-like with record recruitment of new data users. YTD 5.7% of mobile base has been upgraded to data services
- Positive developments in new business units:
 - Cable & Digital Media: delivering on the cross selling opportunity
 - MFS: Over 11% of total mobile customer base active on MFS
 - Online growing over 25% quarter on quarter, with tight cost control

EBITDA

- Q3 underlying² EBITDA margin of 38.6% excluding Online
- Year-To-Date underlying EBITDA margin of 39.6%

Outlook

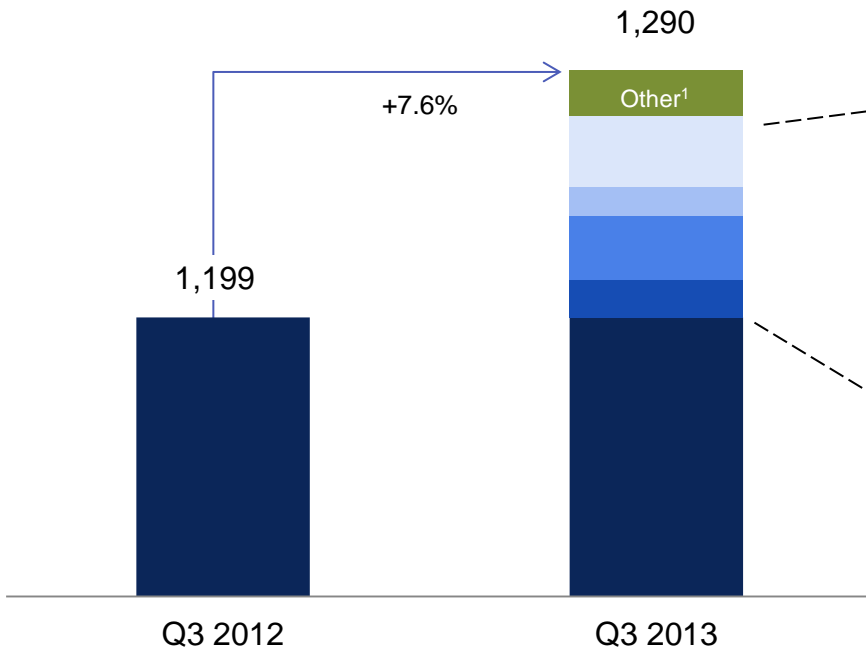
- Reiterated Group outlook with reduced anticipated Online revenues and losses

1) Like-for-like revenue is adjusted for regulatory impacts and one-offs;
2) Underlying EBITDA is adjusted for one-offs of \$10.8 million in Q3 and \$25m YTD

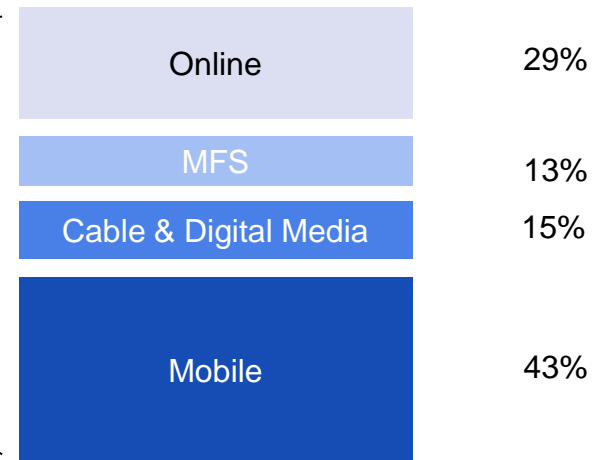
Growth resting on four pillars



Revenue growth
USD million, Q3 2012-Q3 2013



Contribution to Recurring Revenue growth (LC)
%, Q3 2012-Q3 2013



- First double digit growth since Q4 2011: like-for-like revenue growth of 10%
- Mobile growth recovery fuelled by improvements in Africa and sustained growth in Colombia

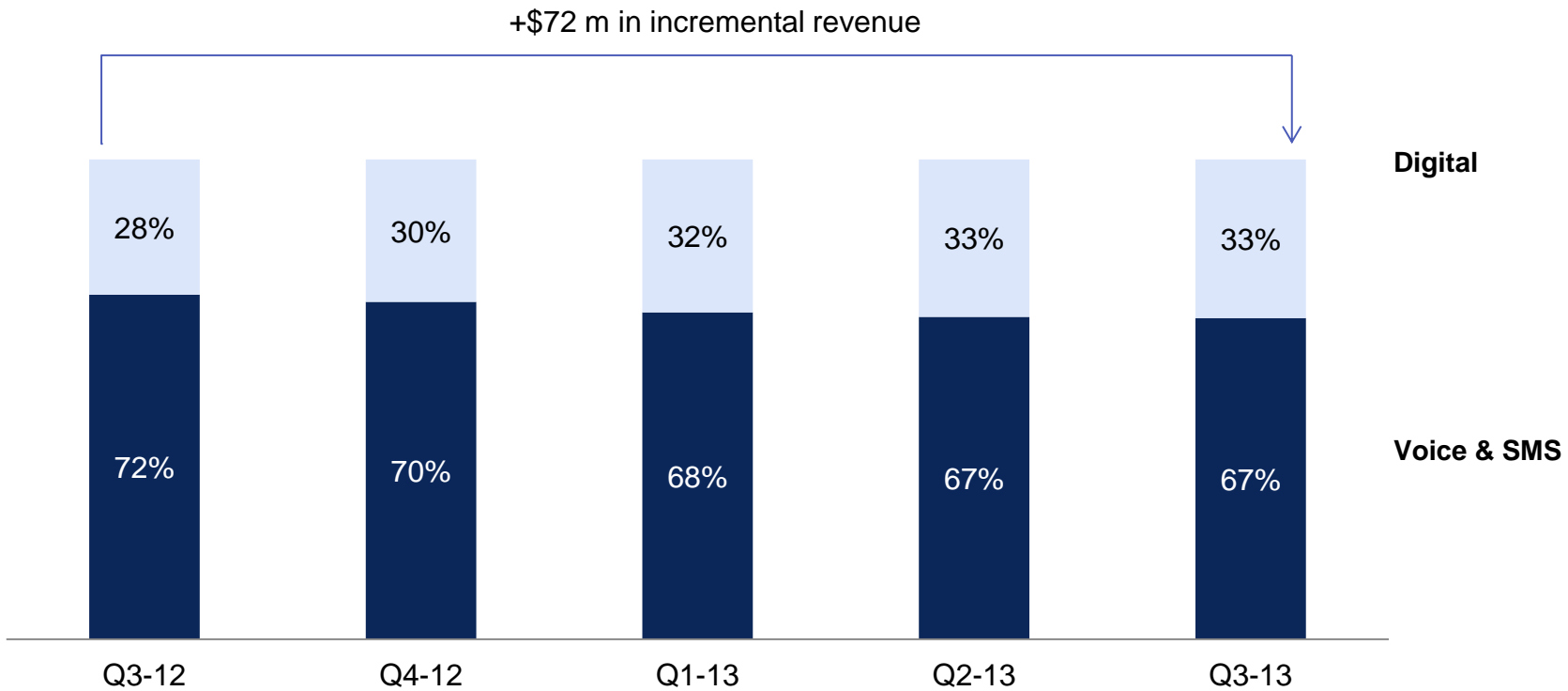
1) Includes visitor roaming, MVNO/DVNO, and Telephone and Equipment

Digital is now over one third of revenues



Contribution to revenues

%, Q3 2012-Q3 2013



- 33% of recurring revenues come from Digital (non voice/sms)
- Stable contribution from Voice and SMS on mobile subscribers growth

Q3 at a glance

Operational Performance

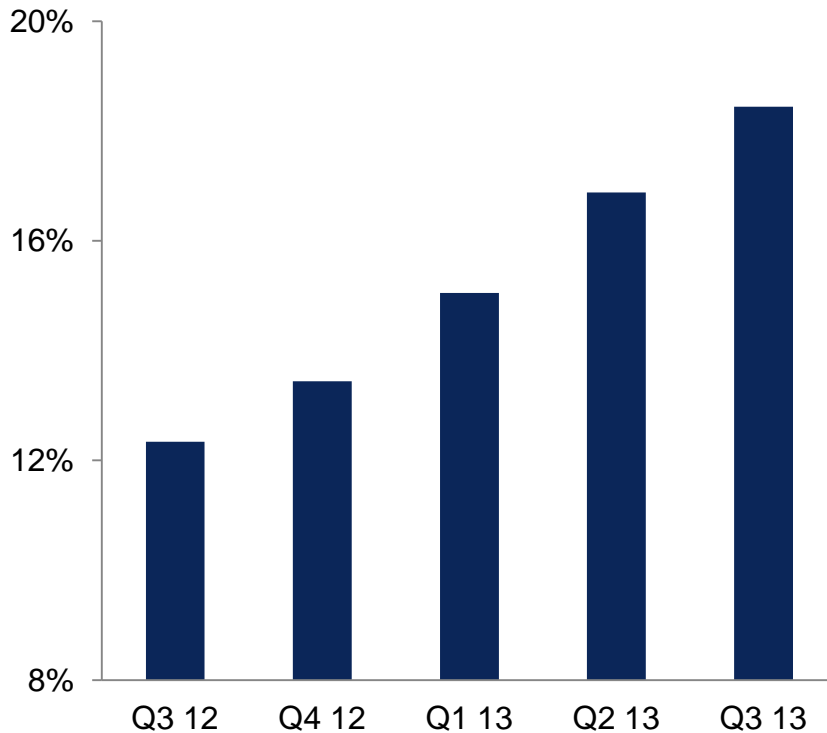
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Mobile Data Penetration

%, Q3 2012-Q3 2013



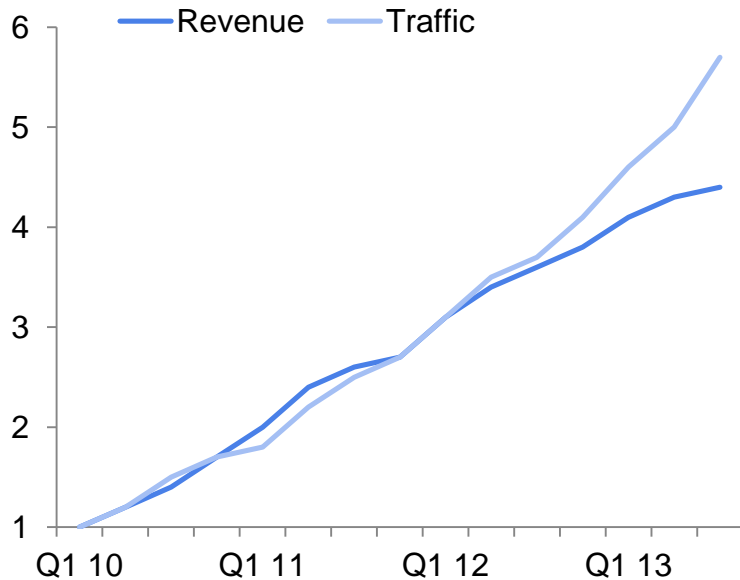
- Mobile revenues growing 3.3% YoY in LC and 5.2% on a like-for-like basis
- Over 1 million new mobile data customers obtained in the quarter
- Regulatory pressure starting to abate on usage elasticity in Q3:
 - 1.9 points on revenue growth (versus 3.2 points in Q2)
 - 0.8 points on EBITDA
- ARPU declined by 2.7% in LC; excluding regulatory impacts the decline would have been 0.6% in Q3

Strong growth in mobile data traffic and revenues



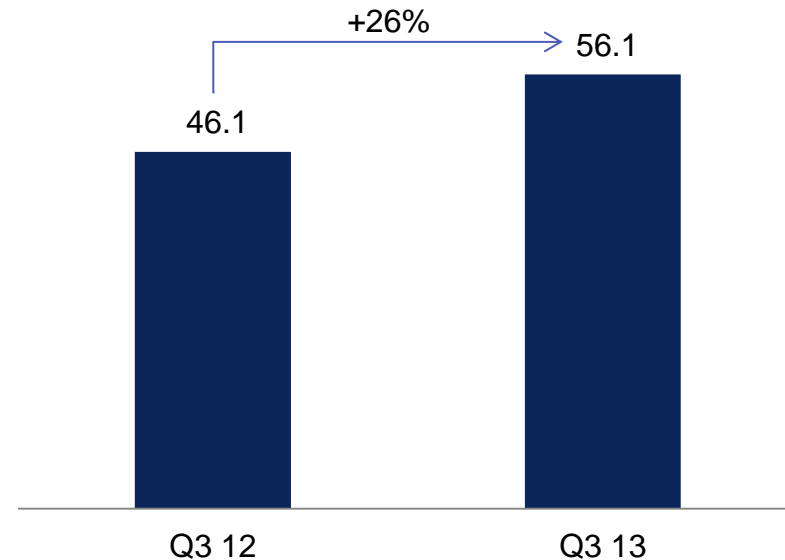
Mobile data traffic growth (x factor)

Multiple (Q1 10=1), Q1 2010-Q3 2013



Subsidies (Net)

USD M, Q3 2012-Q3 2013

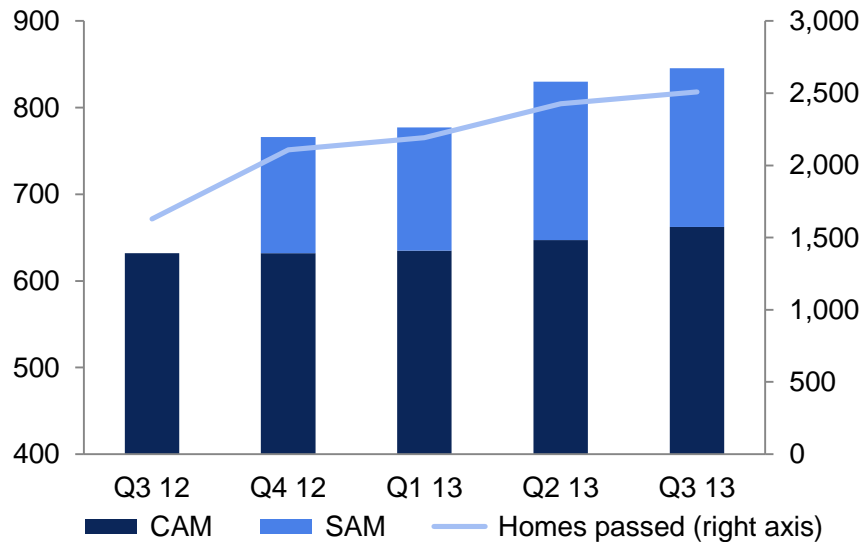


- Mobile information revenue growth at 28% supported by high net adds of over 1 million in Q3
- Subsidy grew at +26% with a mix moving towards lower cost devices

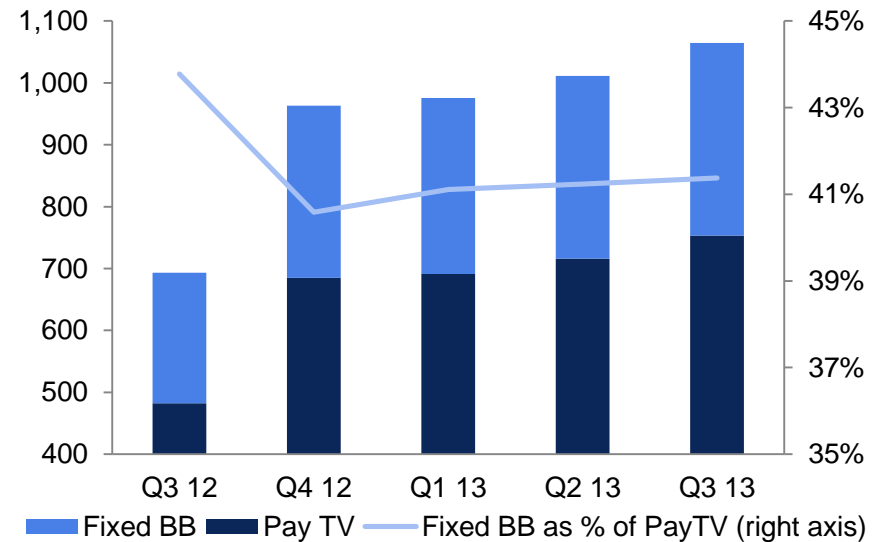
Cable & digital media – Building momentum organically



Homes connected by region and homes passed
thousands, Q3 2012-Q3 2013



Pay TV and Fixed BB RGUs
thousands and %, Q3 2012-Q3 2013



- Cable & Digital media growing at around 11.5% YoY (pro forma for the Cablevision acquisition)
- Cross selling opportunity was in focus in Q3: at the end of September fixed broadband customers amounted to 41% of our pay TV customer base

Creating a leading integrated player in Colombia: In-market consolidation & Fixed/Mobile convergence

1

UNE owns the best fixed infrastructure in Colombia

- Colombia is an attractive & fast growing economy
- UNE has 2.6m homes passed with HFC & a nationwide backbone
- Index perception surveys of 79.6% demonstrate high customers' satisfaction

2

UNE & Tigo are complementary businesses

- Limited geographic overlap in customers' bases means cross selling opportunities
- Products & Networks complement each others well

3

Sizeable opex and capex savings

- NPV of synergies of around \$600m
- Integration costs expected to total \$105m, of which \$45m in year one

4

Accretive transaction for Millicom shareholders

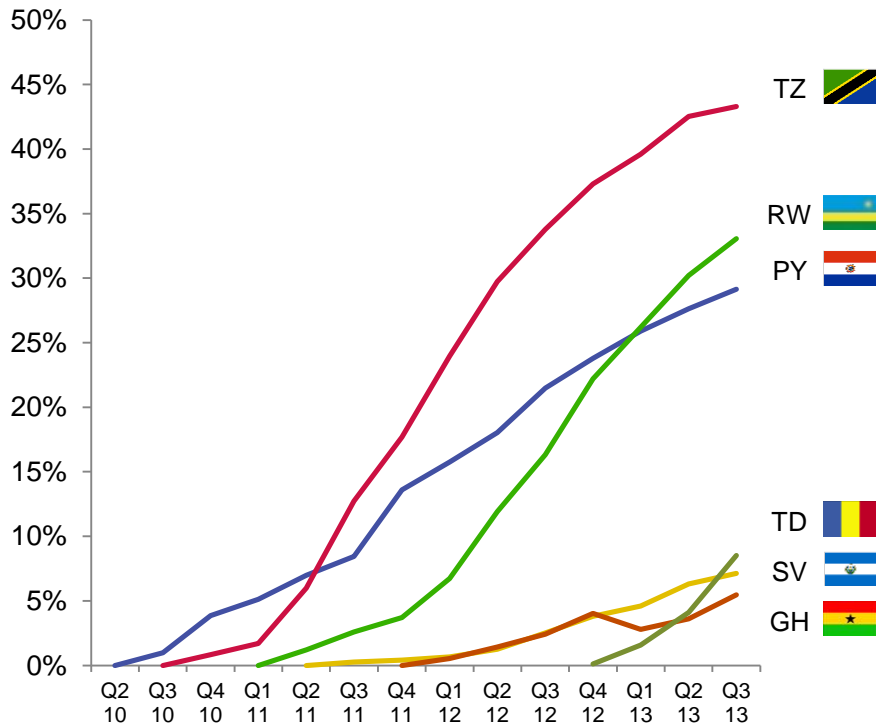
- Attractive valuations
- Accretive to Millicom CF in 2014
- ROIC > WACC after 5 years
- Completion expected in H1 2014, subject to regulatory review

MFS – on the right track



MFS Penetration

% of mobile customers, Q2 2010-Q2 2013



- MFS penetration at 14% across footprint¹, 11% over total mobile base
- ARPU at \$1.4 for users and increasing 12.6% Y-o-Y in LC
- Chad became our most successful launch to date with penetration reaching 8.5% only 10 months after launch
- Central America penetration exceeded the 4% mark with El Salvador over 7%

1) Footprint: Paraguay, El Salvador, Guatemala, Tanzania, Rwanda, Ghana, Chad, DRC, Honduras and Bolivia

Source: Millicom

Business update

- Gearing up towards the Christmas season
 - New warehouses for
 - Kanui and Tricae in Brazil
 - Jumia in Nigeria and Morocco
- Rebranded real estate classifieds to Lamudi in Africa and Latin America
- Test markets for extracting synergies have been identified and launched
- Jumia won “Best Retailer Launch of the Year” in October at the World Retail Awards.

New Q3 Launches

- Jovago – Hotel booking expanded from Nigeria to Kenya, Tanzania, Rwanda and Uganda in Q3
- Kaymu – Online marketplace was launched in Ghana and Morocco in Q3 and in Tanzania in October
- Easy Taxi – pilots running in Egypt and Nigeria
- HelloFood in Rwanda

- In Q3, the Online category generated revenue of \$25 million and EBITDA losses of \$18 million
- Outlook for revenue amended to in excess of \$80 million (from close to \$100 million)
- Outlook for EBITDA losses revised downward to \$70-90 million (from \$125-150 million)

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Financial results reflect opportunities and challenges

		Q3 13	Q3 12	% growth	Like-for-like % growth
Customers (000s)	Mobile	48,919	46,031	6.3%	
	Cable & Digital Media	846	632	33.8%	
	MFS	5,491	3,321	65.3%	
ARPU (USD)	Mobile	7.9	8.3		(0.6%)
	Cable & Digital Media	33	31		3.1%
	MFS	1.4	1.3		12.6%
Revenue (USD m)		1,290	1,199	7.6%	10.0%
EBITDA (USD m)		459	507	(9.9%)	
<i>as a % of Revenues</i>		35.6%	42.3%	(6.7 pts)	
Capex (USD m)		315	183	72.1%	
<i>as a % of Revenues</i>		24.4%	15.3%	9.2 pts	

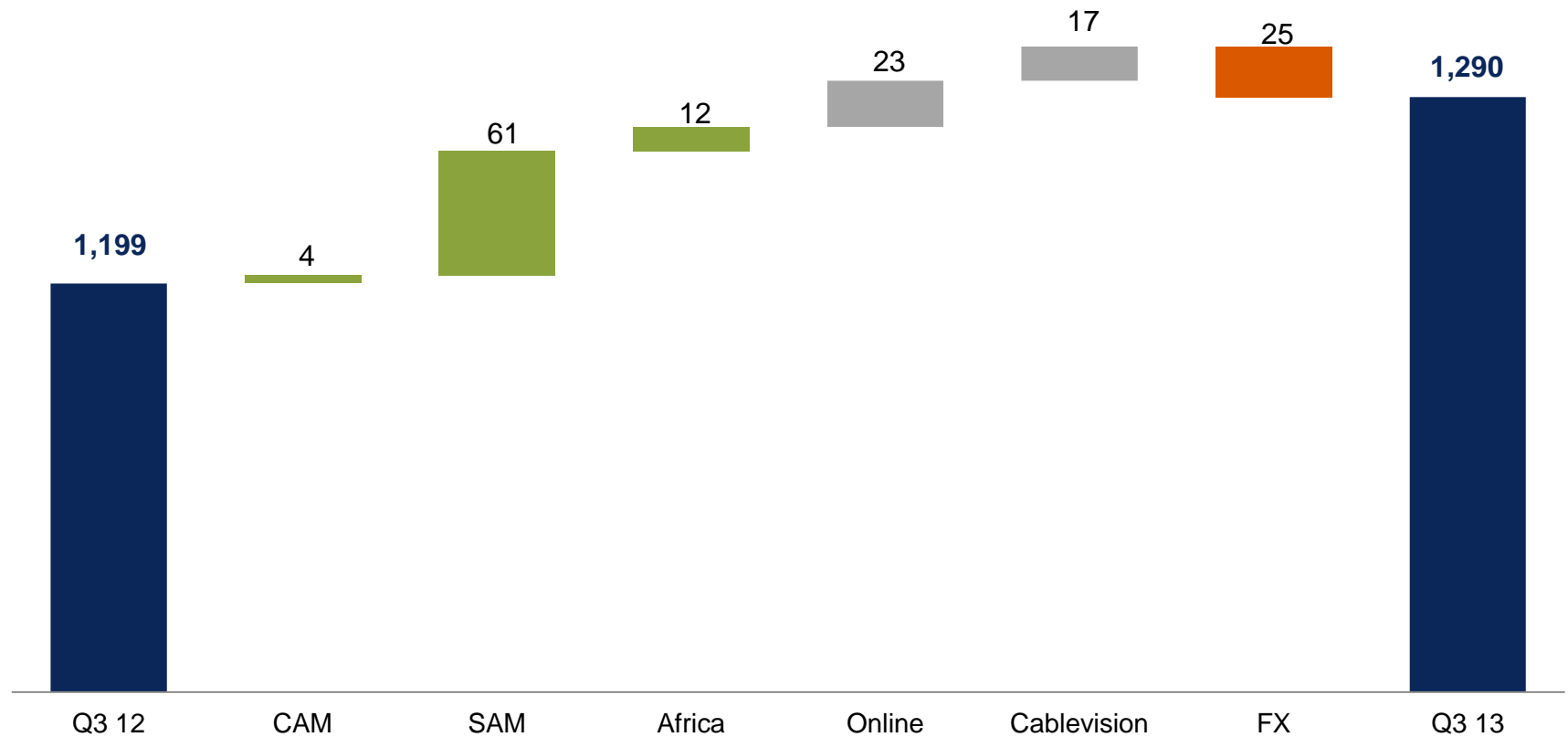
- 10% revenue growth like-for-like, 7.6% reported revenue growth
- EBITDA Margins declining on regulatory pressures, one off events and investments for growth

Regional growth driven by South America and Africa in Q3



Revenue evolution by Region

USD m, Q3 2012-Q3 2013

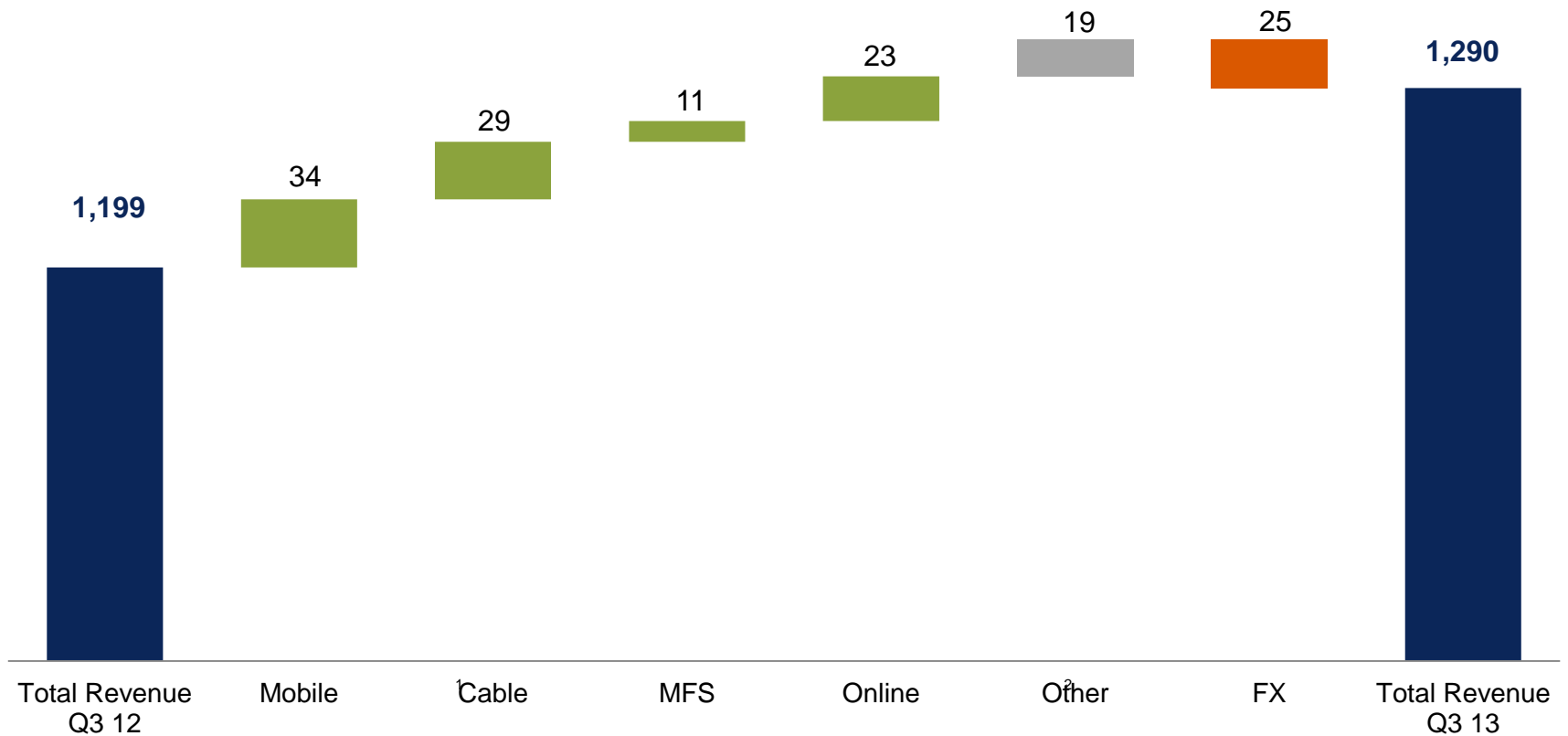


All four pillars contribute to Growth



Revenue evolution by Business Unit

USD m, Q3 2012-Q3 2013



1) Includes Cablevision

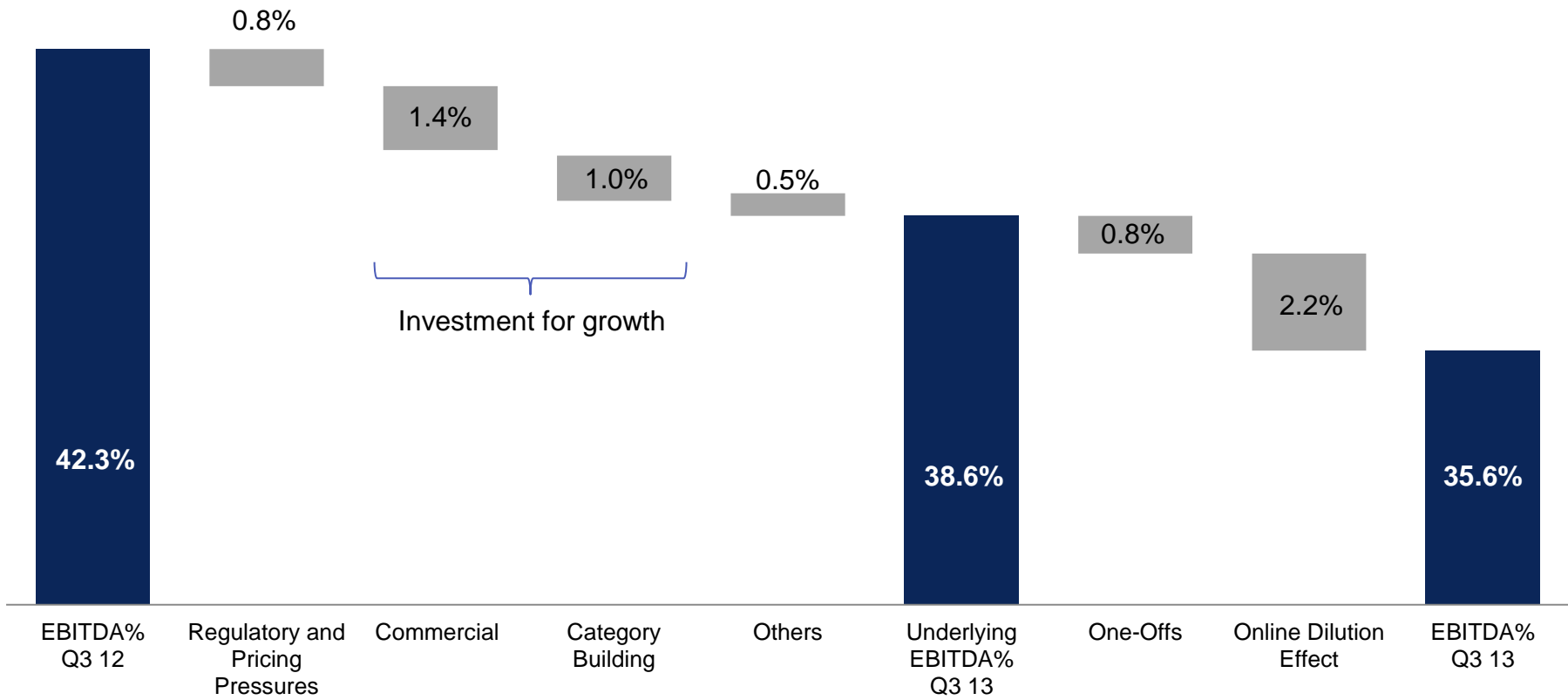
2) Includes visitor roaming, MVNO/DVNO, and Telephone and Equipment

Source: Millicom

EBITDA margin under pressure



EBITDA margin
%, Q3 2012-Q3 2013



Normalized EPS Q3

	Q3 13	Q3 12	% growth	Remarks
EBITDA	459	507	(10%)	
Corporate Costs	(51)	(38)	35%	Employee related costs and consultancy fees
Depreciation	(215)	(206)	5%	Increased network amortization
Net Finance Costs	(67)	(54)	24%	Gross debt increased by \$548m
Taxes	(48)	(55)	(14%)	
Others	21	11	NA	
Normalized Net Profit¹	99	165	(40%)	
No. of shares (m)	99.9	100.2		
Normalized EPS	1.0	1.7		

- Normalized EPS down on category building, higher gross debt and network amortization

¹) Excluding exceptional items (such as: recognition of deferred tax assets and subsequent amortization, revaluation of assets and/or potential goodwill write downs, FX gains and losses on debt, and potentially any non cash item that is by nature non-recurring)
Source: Millicom

Tax rate below 30%

USD m	Q2 13	Q2 13	Q1 13	Q4 12	Q3 12
PBT	19	116	216	224	178
Normalized PBT¹	162	186	189	222	227
Reported Taxes	(54)	(61)	(68)	(156)	(60)
<i>of which</i>					
<i>Non recurring items¹</i>	(6)	(11)	(16)	(102)	(5)
Normalized tax expenses²	(48)	(50)	(52)	(54)	(55)
Normalized tax rate	29.4%	26.8%	27.5%	24.4%	24.3%

1) Excluding non recurring items

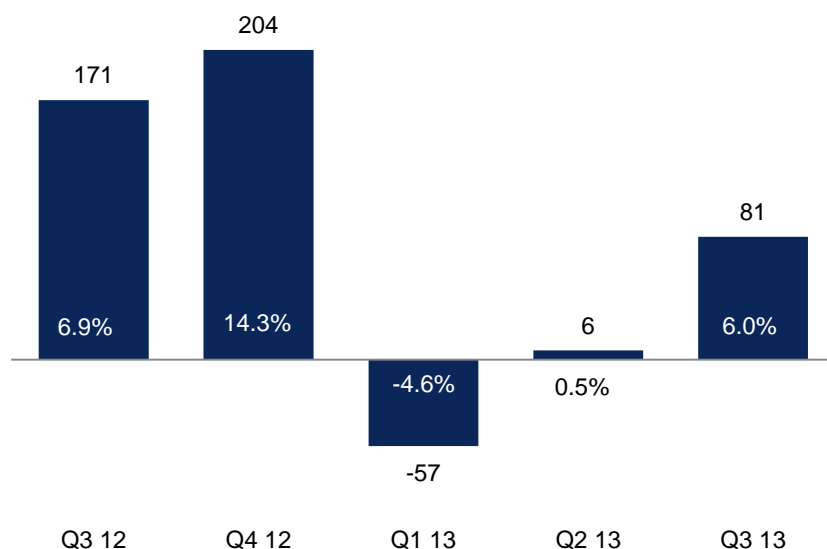
2) Such as recognition of deferred tax assets and subsequent amortization

Source: Millicom

Free cash flow¹ reflects investment for growth

FCF

USD m and % of revenues, Q3 2012-Q3 2013



\$ m	Q3 13	Q3 12	Change
EBITDA	459	507	(9.5%)
Movements in WC	(21)	26	NA
Capex (net of disposals)	(201)	(218)	(7.8%)
Taxes paid	(67)	(63)	6.3%
Corporate Costs Paid	(47)	(34)	38.2%
OFCF (after Corp Costs)	123	218	(43.6%)
Net Interest Paid	(42)	(47)	(10.6%)
FCF	81	171	(52.6%)

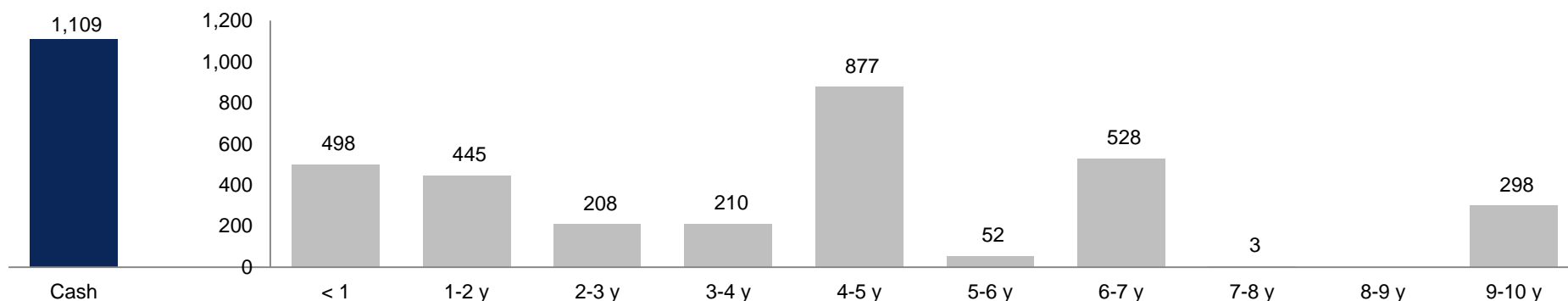
1) EBITDA – Capex +/- WC – Interests – Taxes – Corporate costs

Moderate leverage and well spread maturities

USD m	Q3 13	Q3 12
Gross Debt ¹	3,375	2,827
Cash ²	1,109	1,205
Net Debt	2,264	1,622
Net Debt / EBITDA³	1.2	0.8

Debt maturity (excluding finance leases)

USD m, Q3 2013



- Average maturity of 4.1 years (vs. 2.8 in Q3 2012)

1) Including mark to market of bonds 2) Including pledged deposits, time deposits and restricted cash 3) Net Debt / LTM EBITDA

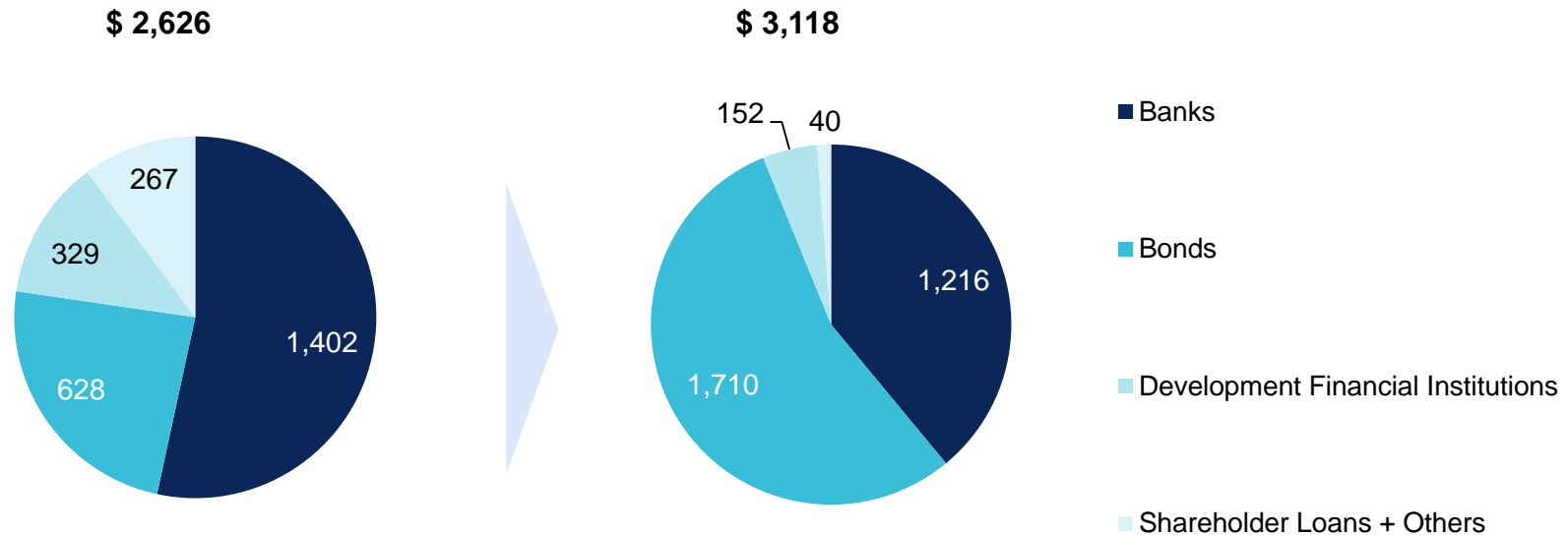
Source: Millicom

Diversified debt sources

Debt Sources (excluding finance leases)

USD m, Q3 2012

USD m, Q3 2013



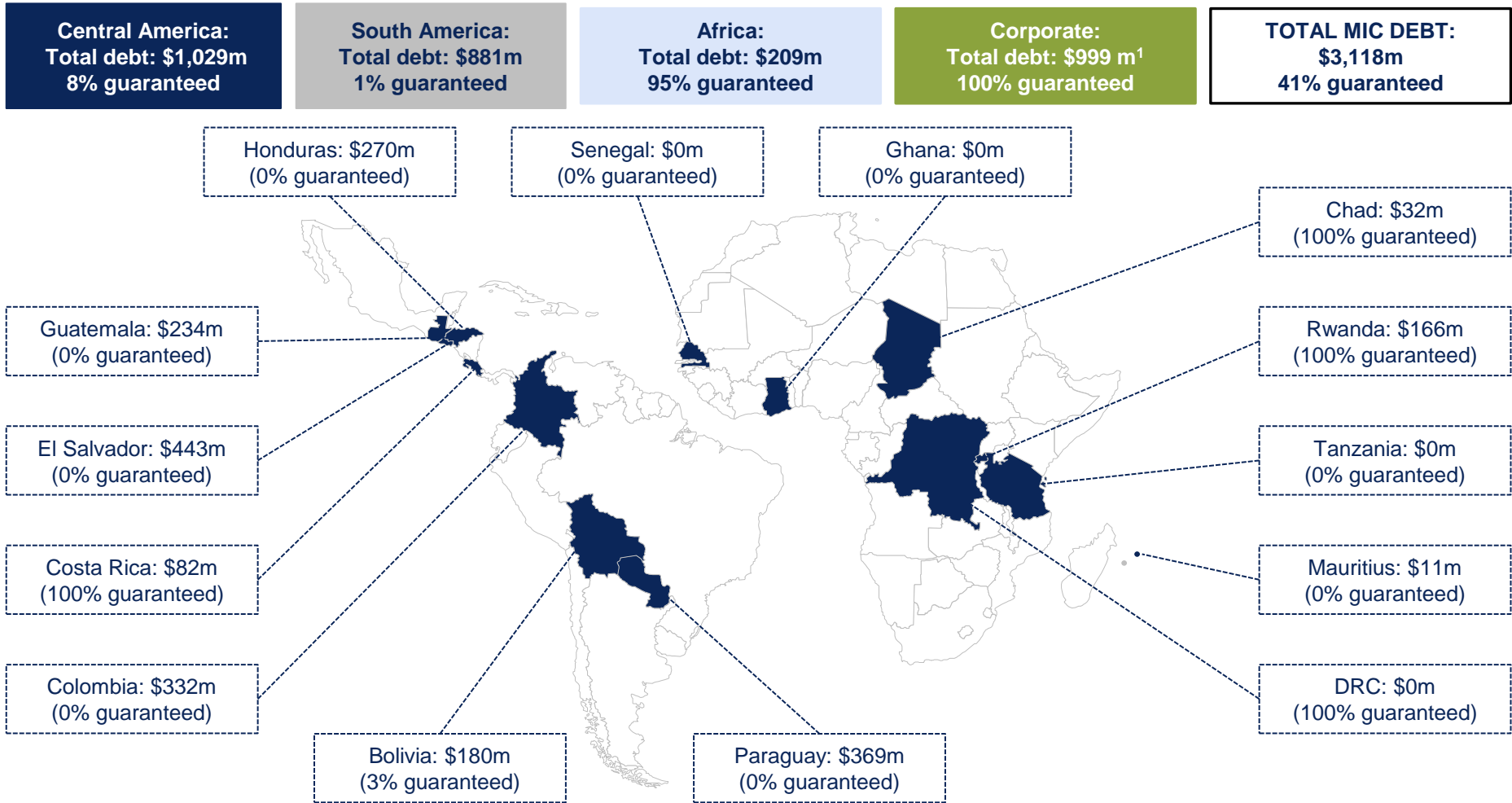
- Public debt (bonds) is now our largest source of funding offering a better balance and improving liquidity

Debt¹ management provides natural hedges

USD m	Currency		Interest rate		Total
	Local ²	USD	Fixed	Float	
Central America	603	426	695	334	1,029
%	59%	41%	68%	32%	
South America	507	374	536	345	881
%	58%	42%	61%	39%	
Africa	29	180	65	144	209
%	14%	86%	31%	69%	
Corporate	859	140	800	199	999
%	86%	14%	80%	20%	
Total MIC	1,999	1,120	2,096	1,022	3,118
%	64%	36%	67%	33%	

1) Excluding finance leases 2) Local Currency defined as not subject to forex exposure (El Salvador & DRC are dollarized, Chad & Senegal pegged to Euro)
Source: Millicom

Growing share of corporate debt



Excluding finance leases;
 1) \$371m has been pushed down in African operations at the end of Q3
 Source: Millicom

2013 Guidance amended for Online losses

- 2013 Group EBITDA margin expected to be around 40% excluding Online (unchanged)
- Capex / revenues to peak around 20% not including spectrum or asset acquisitions (unchanged)
- Online division expected to deliver revenue in excess of \$80 million (from close to \$100 million) and EBITDA losses to be in the range of \$70-90 million (\$125-150 million previously)
- Guidance excludes one offs (\$25 million booked year to date)

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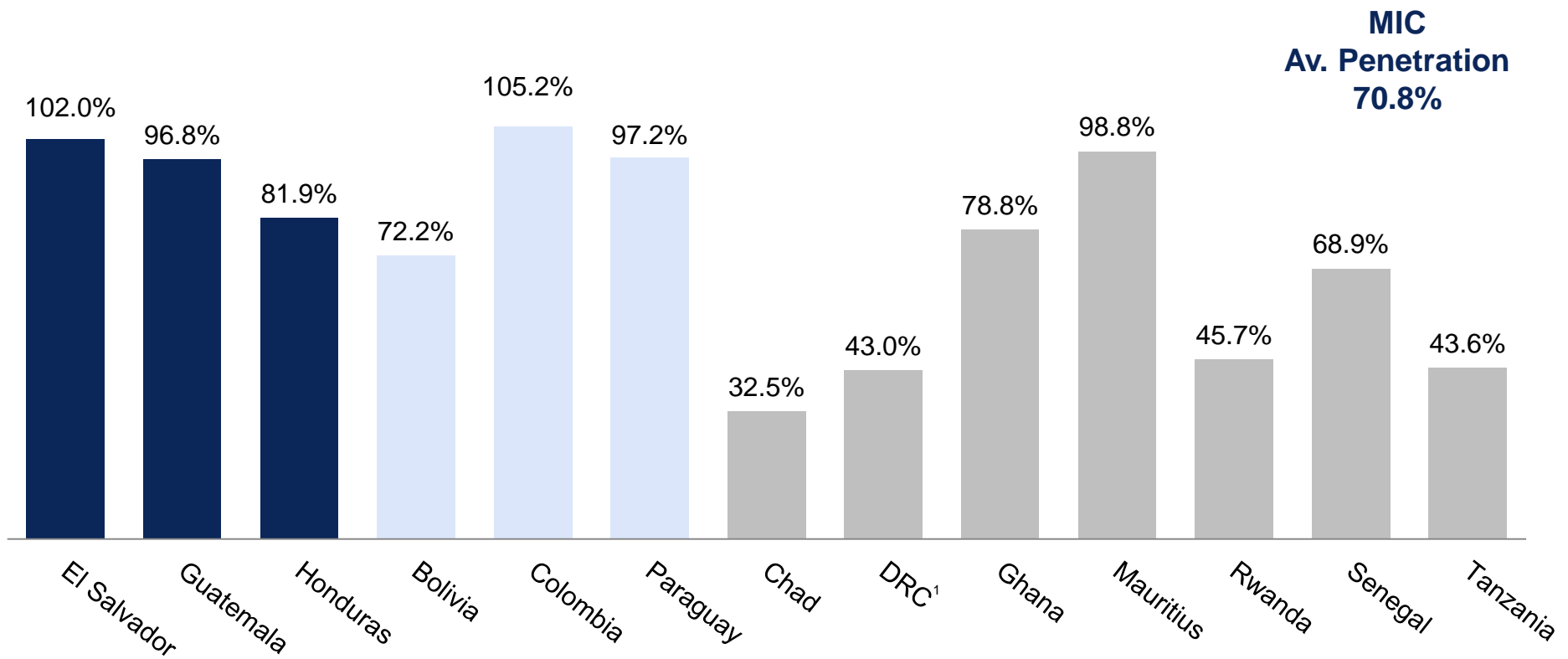
Q&A

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Revenues by regions and by business unit

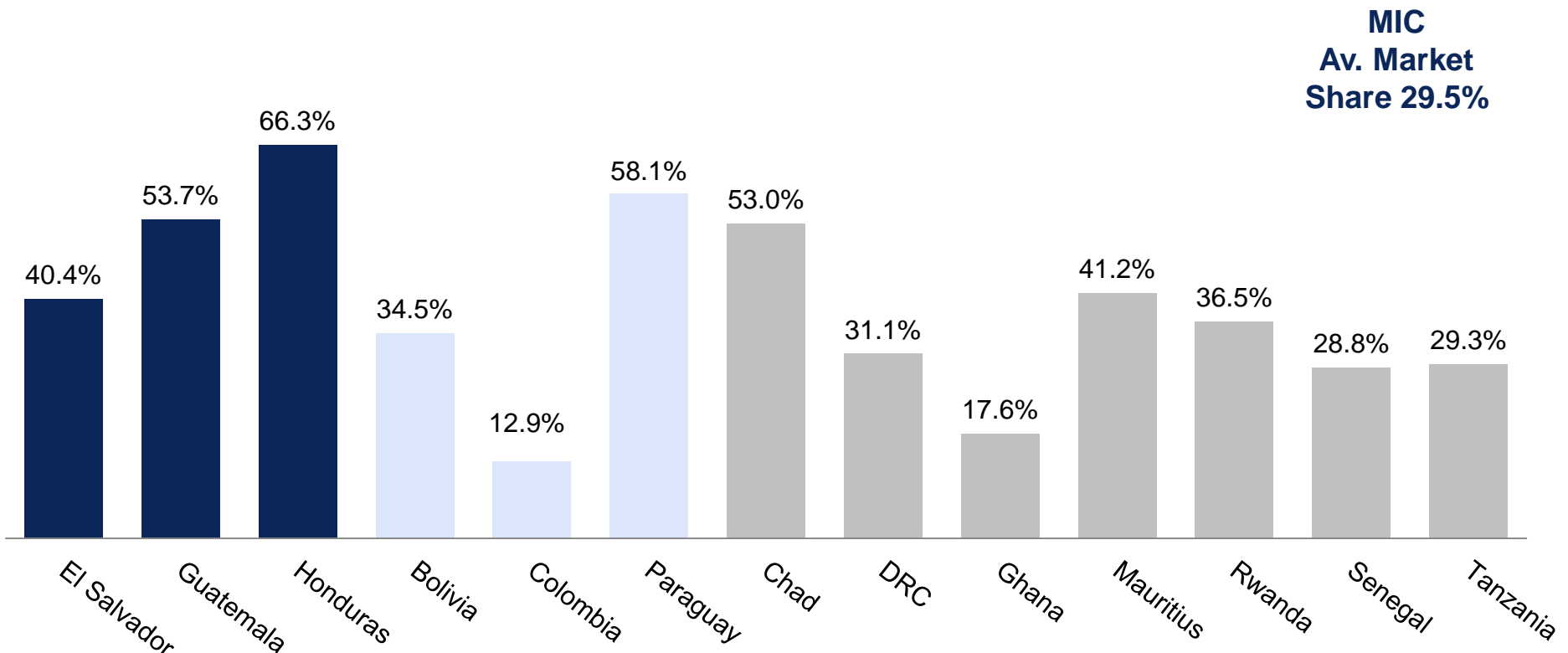
	Central America	South America	Africa	Online	Millicom
Mobile (\$m)	357	456	234	-	1,047
Cable & Digital Media (\$m)	80	34	-	-	114
MFS (\$m)	1	6	15	-	22
Online (\$m)	-	-	-	25	25
Others (\$m)	28	46	8	-	82
Millicom	466	542	257	25	1,290

Mobile Voice- Penetration rates



1) For DRC , only penetration in Kinshasa-BAS Congo and Kivu area is considered

Mobile Voice-Market shares



Movements of currencies vs USD QoQ

		Closing Rate			Average Rate		
		Q3 13	Q2 13	Change	Q3 13	Q2 13	Change
Guatemala	GTQ	7.93	7.83	1%	7.91	7.82	1%
Honduras	HNL	20.62	20.49	1%	20.57	20.26	2%
Nicaragua	NIO	24.50	24.71	(1%)	24.75	24.42	1%
Costa Rica	CRC	505.57	504.53	0%	505.63	506.57	(0%)
Bolivia	BOB	6.91	6.91	0%	6.91	6.91	0%
Colombia	COP	1,914.65	1,929.00	(1%)	1,913.47	1,834.19	4%
Paraguay	PYG	4,441.00	4,488.00	(1%)	4,442.67	4,175.43	6%
Ghana	GHS	2.00	1.99	1%	2.00	1.94	3%
Mauritius	MUR	30.60	30.90	(1%)	30.76	30.72	0%
Senegal/Chad	XAF	486.28	503.48	(3%)	493.42	500.36	(1%)
Rwanda	RWF	663.08	651.07	2%	653.83	636.67	3%
Tanzania	TZS	1,611.50	1,635.00	(1%)	1,616.29	1,617.82	(0%)

Market overview – by region



Millicom Regions	Central America	South America	Africa	Online	Total
Market Overview					
Population (m)	28	63	186		277
Mobile Penetration	93.6%	98.5%	52.4%		70.8%
Operational Data					
Total Mobile Customers (m)	15,584	13,239	20,097		48,920
Attri. Customers (m)	11,832	13,239	19,833		44,904
Capex (\$m -excl Corporate)	74	130	105		309
Capex as % of revenues	15.8%	24.1%	40.7%		24.0%
Cellsites	7,363	6,476	5,183		19,022
Outlets (000s)	138	189	357		684
Key Financials					
Revenues (\$m)	466	542	257	25	1,290
EBITDA (\$m)	217	198	62	-18	459
EBITDA Margin	46.6%	36.6%	24.2%	-76.0%	35.6%

Market overview – LATAM

Latin America	Central America			South America		
	El Salvador	Guatemala	Honduras	Bolivia	Colombia	Paraguay
Shareholding	100%	55% (p)	66.70%	100%	50% + 1 share	100%
License	20y from 1998	15y from 2003	25y from 1996	20y from 1995	10Y from 2013	5y renewal
Date of Expiry	2018	2018	2021	2015	2023	2016
Market Overview						
Population (m)	6	14	8	10	46	7
GDP per Pop (PPP) \$	7,500	5,100	4,400	4,800	10,200	6,200
Mobile Penetration	102.0%	96.8%	81.9%	72.2%	105.2%	97.2%
Market Position	1 of 5	1 of 3	1 of 3	2 of 3	3 of 3	1 of 4
Market Share	40.4%	53.7%	66.3%	34.5%	12.9%	58.1%
Operational Data						
Total Customers (000s)	2,590	8,338	4,656	2,925	6,405	3,909
Cell Sites	1,209	4,354	1,800	1,166	4,029	1,281
Other Operators	America Movil Telefonica Digicel Red	America Movil Telefonica	America Movil Honducel	Entel Viva	America Movil Telefonica	Personal Vox America Movil
Main commodities exported	Coffee Sugar	Coffee Sugar	Coffee Bananas	Lithium Natural Gas	Coffee Oil	Soy Cassava

Market overview – Africa

Africa	Chad	DRC	Ghana	Mauritius	Rwanda	Senegal	Tanzania
Shareholding	100%	100%	100%	50% ⁴	87.5%	100%	100%
Licence	10 y from 2004	12y from 2012	15y from 2004	15y from 2000 ¹	15y from 2008	16y from 2012	25y from 2007
Date of Expiry	2014	2024	2019	2016	2022	2028	2032
Market Overview							
Population (m)	11	76	25	1	12	13	48
GDP per Pop (PPP) \$	1,900	300	3,100	15,000	1,300	2,000	1,600
Mobile Penetration	32.5%	43.0%	78.8%	98.8%	45.7%	68.9%	43.6%
Market Position	1 of 3	2 of 6 ³	2/3 of 6	2 of 3	2 of 4	2 of 4	2 of 7
Market Share	53.0%	31.1%	17.6%	41.2%	36.5%	28.8%	29.3%
Operational Data							
Total Customers (000s)	2,038	3,633	3,577	528	1,794	2,638	5,888
Cell Sites ²	483	785	903	342	344	683	1,643
Other Operators	Bharti Salam	Vodacom Bharti CCT Standard Africell	MTN Vodacom Bharti Glo Kasapa	Orange MTML	MTN Bharti Rwandatel	Orange Expresso Kirene	Vodacom Bharti Zantel TTLC Mobile Bol Sasatel
Main commodities exported	Petroleum Cotton	Coffee Diamonds	Bauxite Cocoa	Sugar Tea	Coffee Natural Gas	Fish Cotton	Coffee Cashew Nuts

1) Amended and extended by one year in 2006; 2) for DRC active sites; 3) Only Kinshasa/ Bas Congo and Kivu area; 4) proportionally consolidated
Source: CIA World Factbook Millicom

Information- Increasing usage & penetration



Latin America	Q2 13	Q3 13	QoQ
Total Data Users¹ (m)	6.0	6.5	8%
% of total customers (penetration)	21.0%	22.4%	1.4 pts
Total data Revenue (US\$ m)	142.9	147.4	3%
<i>of which</i>			
Handsets	106	114	8%
Datacards	37	33	(10%)
Data Revenues as % of total mobile recurring revenues	17.6%	18.2%	0.6 pts
Data ARPU			
Handsets (US\$)	7.7	7.7	0%
Datacards (US\$)	15.7	15.2	(3%)

1) To better reflect real consumption of data, from Q3 2011 onwards, a data user is defined as a customer who has used at least 250Kb of capacity over the last 30 days
Source: Millicom